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Poll: Colorado parents want kids to go to college but costs are challenge
For some it will mean putting off retirement or tapping equity in their home

The vast majority of Colorado parents see college in their kids' future but paying for higher education presents a challenge, according to a new poll of parents around the state.

Roughly nine out of 10 Colorado parents surveyed see higher education as a likely part of their children's future and believe that it is at least pretty important that their children attend college, according to the survey commissioned by CollegeInvest, a not-for-profit division of the Colorado Department of Higher Education that serves as Colorado's higher education financing resource.

Eighty-eight percent of parents said they expect to pay for at least some of their children's college education. However, many parents expect that paying for college costs will carry a financial and personal burden for them.

For example, just over half of parents think they probably will have to put off their retirement to contribute to their kids' college costs. Almost a third of parents who own their home expect to use some of the equity they have accumulated to pay for college costs.

Many parents with kids 15-19 years old have a ways to go in saving for their children's education. For example, 38 percent of parents who say they will pay all college expenses have set aside less than \$1,000.

Just over half of parents have some kind of college savings account set up to save for future college expenses. However, only a little over one in five of these parents have taken advantage of a Colorado 529 college savings plan, the only way to get a Colorado state income tax deduction and unique federal benefits for contributions.

"Clearly, the cost of college is top of mind for many Colorado parents," said Jennifer Robinson of CollegeInvest, which administers the Colorado 529 college savings program. "It's never too early or too late to start saving for college. Accounts can be opened with as little as \$25 and additional contributions can be made with as little as \$15 at a time making saving possible no matter how far or close in the future college may be."

"Parents and students with questions on financing higher education have a resource for college financing right in their own backyard," Robinson added. CollegeInvest provides outreach to parents and students in elementary schools, high schools and community events across the state at no cost to participants. At these workshops and presentations, parents and students can access comprehensive information regarding 529 savings plans, student and parent loans and scholarships.

CollegeInvest also offers low-cost student and parent loans through the Federal Family Education Loan Program (FFELP). Before taking out equity in their homes or delaying their retirement, parents should consider student and parent loans. Federally backed loans with low, often tax-deductible interest rates, offer attractive terms and can be affordable alternatives to help make up the difference for families who find themselves falling short when it comes to college costs.

“Though people are often advised to avoid debt, investing in higher education can pay off quickly,” Robinson said. “On average, those with a college degree earn roughly \$1 million more over their lifetimes than those who have completed high school only.”

The survey of 606 Colorado residents with children 19 years or younger was conducted by Talmey-Drake Research & Strategy, Inc.

About CollegeInvest

CollegeInvest is a not-for-profit division of the Colorado Department of Higher Education. Since 1979, CollegeInvest has helped more than half a million families break down the financial barriers to college by providing expert information, simple planning tools, scholarships, college savings plans, and low-cost student and parent loans. For more information, visit www.collegeinvest.org or call 1-800-448-2424 or contact your financial advisor.

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